

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Application of California-American Water Company (U210W) for Approval of the Monterey Peninsula Water Supply Project and Authorization to Recover All Present and Future Costs in Rates	Application 12-04-019 (Filed April 23, 2012)
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**OPENING BRIEF ON JULY 31, 2013 SETTLEMENT AGREEMENT
SALINAS VALLEY WATER COALITION
AND
MONTEREY COUNTY FARM BUREAU**

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January 21, 2014

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I. Introduction

Pursuant to Commissioner Peevey’s Ruling dated September 25, 2013, Amended Scoping Memo and Assigned Commissioner Ruling, the Salinas Valley Water Coalition (SVWC) and Monterey County Farm Bureau (MCFB) files this Opening Brief on July 31, 2013 Settlement Proposal.

II. The July 31, 2013 Settlement Agreement Should be Approved

As stated in Section 3.1(b) of the Settlement Agreement, the SVWC and MCFB “support the granting of a CPCN contingent upon a resolution of the source water issues relating to the Salinas River Groundwater Basin (“SRGB”)”¹.

¹ July 31, 2013 Settlement Agreement, section 3.1(b)

Section 5 of the Settlement Agreement provides a pathway to resolution of the source water issues. Section 5.1 requires California American Water's hydrologist and technical team to work with the SVWC's hydrologist and technical team and other technical experts as designated (collectively, the 'Technical Group') to develop a written work plan whose primary purpose is to detail the studies, well tests, field, work, modeling, monitoring, and other data analyses needed to assess and characterize whether, and to what extent, the proposed project may adversely affect the Salinas River Groundwater Basin and its legal water users ('Hydrogeologic Study').

The Settlement Agreement further requires California American Water to implement and carry out the Hydrogeologic Study as developed by the Technical Group. The Technical Group will review and evaluate the data and results of the Hydrogeologic Study and will prepare a Technical Report presenting findings and conclusions.

The intent of these requirements, the preparation and completion of the Work Plan, Hydrogeologic Study and Technical Report is to avoid litigation as to the impacts of the project to the Salinas River Groundwater Basin and its water right holders by scientifically detailing if, how, and to what extent, the proposed project may adversely affect the Salinas River Groundwater Basin. The results of the Hydrogeologic Study will also serve to inform the Commission and others as to potential environmental impacts of the project by incorporating the data, findings and conclusions in the Commission's environmental impact document for this project.

The SVWC and MCFB requests that the Commission approve the Settlement Agreement for these reasons.

Dated: January 21, 2014

Respectfully submitted,

/s/ Nancy Isakson
Nancy Isakson, President
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/s/ Norman C. Groot
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